

**CITY OF MACKINAC ISLAND
MINUTES
CITY COUNCIL BUDGET WORK SESSION**

Wednesday, March 20, 2024 at 1:00 PM

City Hall – Council Chambers, 7358 Market St., Mackinac Island, Michigan

I. Call to Order

Mayor Doud called the Budget Work Session to order at 1:10 p.m.

II. Roll Call

Present

- Richard Chambers
- Tom Corrigan
- Anneke Myers
- Alan Sehoan

Absent:

- Brian Bailey
- Steven Moskwa

VI. New Business

Discussion of the FY 2024 / 2025 Budget - City of Mackinac Island

- Fiscal year budget 2023 - 2024 has been balanced as of the time of this meeting.
- Received another \$5,000.00 request from Buildings and Grounds to obtain pea stone for the bike parking area by the Library / Windermere Point.
- City staff raises have been suggested at 3.4% (same as DPW).
 - Police Department contract entered into last year negotiated the Police Department's wage increase at 2.5% per year for this year and next year.
 - Councilman Corrigan voiced concerns that the 3.4% raise was too low. Believes the percentage should be at least double, around 7% increase as the cost of living on Mackinac Island is much higher than other places.
 - Mayor's Assistant Trista France noted to keep in mind the additional \$200,000 that was budgeted for the Winter Service Contract, and next year an additional \$220,000.00 for phase 3 of the Forest Way Townhomes (\$75,000.00 spending this year).
 - Councilman Corrigan commented that there should be a fund balance like last year and that should be able to hold up to a 7% increase for City wages.
 - Councilwoman Myers inquired where Councilman Corrigan thought the money to cover the wage increase should come from?
 - Mayor Doud noted that they have a session with the accountant on Thursday and can look into the fund balance
 - Councilwoman Myers noted that things, such as monies collected for vehicle permits, are coming in much higher this year and may not come in as high next year
 - As of March 31, 2023 \$118,690 collected from vehicle permits
 - Councilman Corrigan voiced the opinion that, in the end, there should be enough money left over from last year to cover a 7% raise
 - Mayor's Assistant Trista France inquired where Councilman Corrigan felt the additional \$55,000.00 would come from?
 - Councilman Corrigan suggested the Local and Major Street Funds
 - Councilwoman Myers noted that those are contracted funds and money cannot be cut from there
 - Councilman Corrigan again suggested that the additional money should come out of the fund balance. Money to cover the raises does not have to be pulled from this fund, or the same fund, every year.
 - Councilwoman Myers noted that legal costs will be going up next year with the re-working of the Franchise Agreement among other things. Some of that has been accounted for, but not all.
 - Councilman Sehoan noted that the increase of fringe benefits need to kept in mind if a higher raise is given

- Councilwoman Myers noted that the suggestion of a 3.4% raise comes from the current CPI
- Councilman Corrigan noted that the Social Security CPI is currently at 3.8%
- Councilwoman Myers noted that the City gave a 6% raise last year
- Councilman Corrigan again voiced the fact that it is more expensive to live on the Island and therefore the City should be paying their employees a premium wage to account for that higher cost of living.
- Allen Burt, Dept. of Public Works (DPW) Director, noted that the DPW can help keep their employee living costs down by providing housing, and charge everyone the same fee for housing rent.
 - Noted that he is also not disagreeing with Councilman Corrigan
- Rent collection
 - Hoping to collect some money from renting out the the St. Martin building over the winter
 - DPW will continue to house construction employees for the Wastewater Treatment Plant project during the winter.
- Will be increasing the amount of money requested from the County for sand since the areas covered were increased this year.
 - Allen Burt noted that he has gravel from project at the Wastewater Plant that could save the City from purchasing gravel. Allen has put Mike Ruddle and Ken Peterson in touch to discuss use of gravel for City needs.
- Do receive some funds from the County towards police officer wages.
- City Hall budget
 - Additional cost of new contract with Presidio for phones
 - Receive partial reimbursement from DPW for their portion
- Restroom cleaning contract
 - Have requested that they begin cleaning one week early this year (April 26th) this incurs an additional charge to the contract.
- Police Dept.
 - Have hired an additional officer this past winter, budgeting for that going forward
- Capital Funds - Police Department Chief has requested a new truck
 - Councilman Sehoyan suggested looking at energy alternative vehicles. Could reduce amount spent on gas.
 - Allen Burt suggested looking in to purchasing bulk gas like the DPW
- EMS contracted services
 - Have budgeted \$300,000.00 from the millage in the past, but the numbers have been coming in under that which has given the opportunity to redistribute funds.
 - Currently coming in at \$278,880.00
- Public Works
 - Would like to hire a total of 6 workers
 - Requested to purchase a new sand spreader
- Dennis Dombroski suggested purchasing new freezers for the Community Hall as the current ones are older and have been leaking.
- Parks & Recreation
 - Pickleball court - \$95,633, but offset by grants
- Stuart House - Do have 2 employees lined up for this summer
- Fire Truck debt, Forestway Townhome debt, and Coal Dock debt are all paid directly from taxes and are no longer listed in the General Fund budget.

- Library
 - Addition to the Country Cleaning contract for restroom cleaning
 - \$5,000.00 additional - 5 days per week, 1 cleaning per day
- MDOT Major Street Fund / Trunkline funding may be decreasing. Trista will be calling MDOT to find out more.
- Grand Hotel contract for street cleaning
 - Still need to work out the contract going forward
 - Budgeting for \$65,000.00.
- Cemetery
 - Perpetual Care Fund money held at the Community Foundation where it makes better revenue
 - Trista will add in \$1,000.00 grant received from the Community Foundation for grass seed for the cemeteries.
- Councilwoman Myers noted that the proposed 7% wage increase needed to be negotiated.
- Doesn't think 7% is feasible, but inquired how the other Council members felt
- Chambers & Sehoan both stated that they were comfortable with the 3.4% that was budgeted.
 - Councilwoman Myers noted she felt that things were good at 3.4%, but could see some room for a bit more of an increase, maybe 5%. The City has been trying over time to raise employee wages.
 - Councilman Corrigan does not believe 3.4% is staying with the environment / cost of living
 - Councilman Corrigan inquired about retirement benefits for City employees
 - Police Department payments include a 1 for 1 match up to \$1,500.00 annually as well as a 13% contribution based off their bi-weekly gross income. Other employees (aside from contracted) receive a one time annual payment of \$1,000.00 - \$1,250.00.
 - Councilman Corrigan again voiced that he strongly disagreed with the 3.4% increase
 - Councilwoman Myers noted that she could agree with a 5% increase, but doesn't think it should go higher than that
 - Councilman Corrigan stated that he would agree with a 5% increase
 - Councilman Sehoan stated that he doesn't think we should go higher than the proposed 3.4%

A final decision on the percentage of the wage increase needs to be decided before the Special Budget Meeting on March 27th so that the fiscal year 24-25 budget can be reworked if needed.

VIII. Adjournment

There being no further business, motion by Myers, second by Chambers to adjourn the meeting 2:26 pm.

Margaret M. Doud, Mayor

Danielle Leach, City Clerk